

810-8-1-.04 Sales of Motor Fuel in the Bulk Transfer/Terminal System.

(1) In accordance with Section 40-17-326(c), Code of Alabama 1975, tax is imposed on the sale or transfer of motor fuel in the bulk transfer/terminal system in Alabama by an Alabama supplier ~~or permissive supplier~~ to a person who does not hold an Alabama supplier's ~~or permissive supplier's~~ license. The supplier shall collect the tax imposed from the person who orders the sale or transfer in the bulk transfer/terminal system. A bulk transfer/terminal system is a motor fuel distribution system consisting of refineries, pipelines, marine vessels, and terminals approved by the Internal Revenue Service. Motor fuel in a refinery, pipeline, terminal, or marine vessel transporting motor fuel to a refinery or terminal is in the bulk transfer/terminal system provided all operators are licensed and registered as required by the Internal Revenue Service.

(2) Based upon the definition of bulk transfer/terminal system as provided in Section 40-17-322, pipelines are considered to be a part of the bulk transfer/terminal system. Therefore, a tax-free transaction can only occur in the pipeline if all parties involved in the transaction have valid Alabama supplier's ~~or permissive supplier's~~ licenses. Otherwise, the tax is to be collected from the person ordering the sale or transfer in the bulk transfer/terminal system.

~~(3) This regulation will become effective on October 1, 2012, to coincide with the effective date of Act 2011-565, known as the Alabama Terminal Excise Tax Act.~~

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Authority: Sections 40-2A-7(a)(5), 40-17-322, 40-17-323, and 40-17-326(c),
Code of Alabama 1975
History: New rule: Filed June 29, 2012, effective August 3, 2012.